

*Attachment A*

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REDACTED [REDACTED] agb (5 February 1962)

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Accounting Practices for Sensitive Projects

REFERENCE : (a) Memorandum dated 10 January 1962 to Deputy Director (Support) from DCI, Subject: Project [REDACTED] 25X1A2D2  
(b) Memorandum dated 18 December 1961 to Deputy Director (Support) from DD/P, Subject as above  
(c) Memorandum dated 14 November 1961 to DD/P from Deputy Director (Support), Subject as above

1. The Comptroller is most appreciative of the opportunity to express his views and cite specific recommendations for fiscal procedures or principles for sensitive projects. These principles not only complement the operational aspects of any sensitive project or activity but also provide the Director of Central Intelligence with sound financial management and fiscal control consonant with the powers and authorities granted to the Director and the Agency under Public Law 110.

a. Insofar as security permits sensitive projects shall operate through existing facilities of the Comptroller's Office.

b. If a task force is required to accomplish the operational mission of the project the following rules shall apply:

(1) Each task force support group shall include a representative of the Comptroller who shall function as the task force Comptroller with policy and technical authority derived directly from the Comptroller. He shall be responsible for establishing and supervising a Budget and Fiscal Office similar to an area division Budget and Fiscal Office.

(2) Project expenditures incurred at Headquarters shall be paid and accounted for through the Finance Division on a normal basis.

c. As the security aspects of sensitive projects are such as to require a limited distribution of project information the highest degree of compartmentation, for purposes of handling and processing sensitive information and accountings, shall be accomplished in the Office of the Comptroller.

d. When the operating component is physically located outside the Headquarters area and an Agency station exists in the same area the facilities of such station shall be used for financial support of the project. However, if no station exists a Finance Office shall be established as part of the task force to provide finance support, guidance and control.

e. When it has been determined that project objectives are such as to require a waiver of <sup>Normal</sup> nominal Agency fiscal regulations the exceptions shall be made a part of, or provided for, in an Administrative Plan or Fiscal Annex.

f. The Audit Staff shall be made knowledgeable of the fiscal aspects of all sensitive projects at their inception and shall audit such projects on a current basis.

2. All of the principles listed above are of equal importance and not only express the view of the Comptroller on this subject but also his prerogatives under the authority granted to him by Agency Regulation [REDACTED].

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[REDACTED]  
Acting Comptroller

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